



# HR Record Retention Requirements – The Republic of the Philippines

## Legal Framework

### Legislative Framework for Record Retention Requirements

As most HR professionals know, document retention for employee-related records—such as personnel files, payroll information, benefits records, and background checks—is a particularly complicated process, required by law, with variations from country to country. Complicating the process further, each document in each country has its own individual retention requirements, and the financial penalties for noncompliance can be significant. A carefully designed and implemented HR record retention policy is a necessary step to support an employer's robust compliance program.



While disposing of too many records can increase a company's legal exposure, disposing of too few records may also increase legal exposure as well as the cost of storage. Employers must identify which records should be retained, how long records should be retained and the different formats in which records may be stored. Employers must also determine how to ensure

internal HR record retention policies comply with all applicable regulations and local laws.

### General Recordkeeping Requirements

Keeping HR records through a robust document retention policy may be useful to employers for various reasons, including (a) maintaining the corporate memory of the company; (b) satisfying legal or regulatory requirements; (c) preserving documents with an enduring business value to the company; and (d) protecting the company against the risks of litigation and the need to preserve evidence and comply with disclosure obligations as necessary.

However, a balance must often be struck between keeping documents for a sufficiently long period of time, so as to meet an employer's legitimate business objectives, and not keeping those documents unnecessarily, which could give rise to a breach of data protection laws or otherwise create unnecessary risk.

Under DOLE Department Order No. 183-17, employers must keep and maintain employment records in and about the premises of all workplaces, except when a centralized recording system has been implemented. Under RR 17-13, books and accounting records are expected to be kept in the place of business of the taxpayer, who may be required to produce the record for examination or deliver the record(s) for inspection if required by any internal revenue officer.

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## Retention Periods

Most countries have minimum and maximum retention periods for certain HR records. Even if there is no statutory minimum retention period for a certain category of records in a particular country, it is often recommended to retain records until the expiration of the relevant time limits for bringing legal actions or regulatory investigations (statutes of limitations).

In addition to maintaining minimum retention periods, some countries also have maximum retention periods. A record's survival must often be limited so as to safeguard the privacy of persons whose personal data is contained in that record. In particular, records must be kept for no longer than is necessary for achieving the purposes for which the records were collected or subsequently used. After the maximum retention periods have expired, the documents should be either permanently deleted or anonymized (i.e., all references to data subjects should be redacted so that it is no longer possible to identify those persons).

Under the Personal Data Protection Act in the Philippines, employee and applicant information should only be retained as long as necessary to

fulfill the original purpose(s) the data was collected, to defend a legal claim, or as otherwise required by law.



## Format of Records

Multiple laws, decisions, and even everyday life practices apply when

assessing the retention form of a document. Generally, there is no law in the Philippines prohibiting keeping documents in electronic form. Note that the Omnibus Rules Implementing the Labor Code require that “[e]very employer...keep an individual time record of all his employees bearing the signature or thumbmark of the employee concerned” and that “[a]ll entries in time books and daily time records shall be accomplished in ink.” That said, an electronic or digital signature that has been authenticated under the Rules on Electronic Evidence is admissible as evidence as the equivalent of a handwritten signature. Therefore, electronic signatures that have been authenticated in this manner should meet the requirements in the Omnibus Rules to Implement the Labor Code.

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